

Represent.U.s

Financial Statements
and Independent Auditor's Report

December 31, 2023 and 2022

Represent.Us

Financial Statements
December 31, 2023 and 2022

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
Represent.Us

Opinion

We have audited the accompanying financial statements of Represent.Us (“the Organization”), which comprise the statements of financial position as of December 31, 2023 and 2022; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, handwritten style.

Vienna, Virginia
May 9, 2024

Represent.Us

Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash	\$ 1,294,603	\$ 1,017,446
Grants and contributions receivable	-	10,000
Due from affiliate	4,482,468	3,056,147
	<u>4,482,468</u>	<u>3,056,147</u>
Total assets	<u>\$ 5,777,071</u>	<u>\$ 4,083,593</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 4,176	\$ 12,857
	<u>4,176</u>	<u>12,857</u>
Total liabilities	<u>4,176</u>	<u>12,857</u>
Net Assets		
Without donor restrictions	5,422,895	4,060,736
With donor restrictions	350,000	10,000
	<u>5,772,895</u>	<u>4,070,736</u>
Total net assets	<u>5,772,895</u>	<u>4,070,736</u>
Total liabilities and net assets	<u>\$ 5,777,071</u>	<u>\$ 4,083,593</u>

See accompanying notes.

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Statement of Activities For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grants and contributions	\$ 1,814,968	\$ 375,000	\$ 2,189,968
Interest income	9,212	-	9,212
Released from restrictions	35,000	(35,000)	-
Total revenue and support	<u>1,859,180</u>	<u>340,000</u>	<u>2,199,180</u>
Expenses			
Program services:			
Education and communications	27,512	-	27,512
Research and planning	3,985	-	3,985
Direct lobbying	106,454	-	106,454
Grassroots lobbying	68,003	-	68,003
Total program services	<u>205,954</u>	<u>-</u>	<u>205,954</u>
Supporting services:			
Management and general	193,445	-	193,445
Fundraising	97,622	-	97,622
Total supporting services	<u>291,067</u>	<u>-</u>	<u>291,067</u>
Total expenses	<u>497,021</u>	<u>-</u>	<u>497,021</u>
Change in Net Assets	1,362,159	340,000	1,702,159
Net Assets, beginning of year	<u>4,060,736</u>	<u>10,000</u>	<u>4,070,736</u>
Net Assets, end of year	<u>\$ 5,422,895</u>	<u>\$ 350,000</u>	<u>\$ 5,772,895</u>

See accompanying notes.

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Statement of Activities For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	\$ 2,168,291	\$ 510,000	\$ 2,678,291
Interest income	3,840	-	3,840
Released from restrictions	2,137,597	(2,137,597)	-
Total revenue and support	4,309,728	(1,627,597)	2,682,131
Expenses			
Program services:			
Education and communications	1,411,275	-	1,411,275
Research and planning	22,812	-	22,812
Direct lobbying	434,173	-	434,173
Grassroots lobbying	44,995	-	44,995
Total program services	1,913,255	-	1,913,255
Supporting services:			
Management and general	335,755	-	335,755
Fundraising	235,936	-	235,936
Total supporting services	571,691	-	571,691
Total expenses	2,484,946	-	2,484,946
Change in Net Assets	1,824,782	(1,627,597)	197,185
Net Assets, beginning of year	2,235,954	1,637,597	3,873,551
Net Assets, end of year	\$ 4,060,736	\$ 10,000	\$ 4,070,736

See accompanying notes.

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Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services					Supporting Services			Total
	Education and Communications	Research and Planning	Direct Lobbying	Grassroots Lobbying	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel	\$ 16,188	\$ 3,766	\$ 732	\$ 32,046	\$ 52,732	\$ 153,840	\$ 55,204	\$ 209,044	\$ 261,776
Grants	-	-	52,539	14,500	67,039	-	-	-	67,039
Consulting	11,250	-	53,180	18,000	82,430	-	16,000	16,000	98,430
Office expenses	-	202	-	-	202	14,822	26,190	41,012	41,214
Occupancy	-	-	-	3,293	3,293	-	-	-	3,293
Professional fees	34	8	2	62	106	24,547	108	24,655	24,761
Insurance	40	9	1	102	152	236	120	356	508
Total Expenses	\$ 27,512	\$ 3,985	\$ 106,454	\$ 68,003	\$ 205,954	\$ 193,445	\$ 97,622	\$ 291,067	\$ 497,021

See accompanying notes.

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Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services					Supporting Services			Total
	Education and Communications	Research and Planning	Direct Lobbying	Grassroots Lobbying	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel	\$ 279,855	\$ 6,622	\$ 18,685	\$ 12,390	\$ 317,552	\$ 200,422	\$ 181,622	\$ 382,044	\$ 699,596
Grants	3,000	-	125,000	8,000	136,000	-	-	-	136,000
Consulting	976,053	10,740	231,172	24,500	1,242,465	110,365	-	110,365	1,352,830
Office expenses	22,231	-	268	-	22,499	10,896	44,482	55,378	77,877
Communication costs	32,725	-	-	-	32,725	-	6,250	6,250	38,975
Occupancy	28,850	5,377	116	21	34,364	930	808	1,738	36,102
Professional fees	2,673	73	144	51	2,941	12,714	2,420	15,134	18,075
Advertising and promotion	64,544	-	55,000	-	119,544	38	-	38	119,582
Insurance	59	-	20	33	112	173	158	331	443
Travel	953	-	3,182	-	4,135	30	42	72	4,207
Information technology	332	-	586	-	918	187	154	341	1,259
Total Expenses	\$ 1,411,275	\$ 22,812	\$ 434,173	\$ 44,995	\$ 1,913,255	\$ 335,755	\$ 235,936	\$ 571,691	\$ 2,484,946

See accompanying notes.

Represent.UsStatements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,702,159	\$ 197,185
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	10,000	248,965
Due from affiliate	(1,426,321)	(2,396,460)
Prepaid expenses and other assets	-	17,391
Decrease in:		
Accounts payable and accrued expenses	(8,681)	(43,332)
Grants payable	-	(100,000)
Refundable advances	-	(300,000)
	<u>277,157</u>	<u>(2,376,251)</u>
Net cash provided by (used in) operating activities	<u>277,157</u>	<u>(2,376,251)</u>
Net Increase (Decrease) in Cash	277,157	(2,376,251)
Cash , beginning of year	<u>1,017,446</u>	<u>3,393,697</u>
Cash , end of year	<u>\$ 1,294,603</u>	<u>\$ 1,017,446</u>

See accompanying notes.

Represent.Us

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of Operations

Represent.Us (“the Organization”) was incorporated in 2008 as Change Congress, and subsequently conducted business as the Democracy Action Fund, United Republic Action Fund, and United Republic.

The Organization is a national, nonpartisan, nonprofit 501(c)(4) organization with a vision to make America the world’s strongest democracy by 2050. The Organization champions political accountability, integrity, representation, and fairness through structural policy reforms. The Organization unites unlikely allies from across the political spectrum to pass powerful anti-corruption laws that fight corruption and make government represent the people.

The Organization’s principal program service activities consist of the following:

Public Education and Communications

To fix our democracy, the Organization is mobilizing a massive grassroots movement centered around a suite of smart, bold, common-sense policy solutions. The Organization has the democracy movement’s most vibrant and recognizable brand. The Organization has grown the largest and most active online community in the field, with digital content that breaks through the noise and engages diverse audiences. In this way, the Organization recruits and engages an army of politically savvy and impassioned advocates. The Organization executes ambitious public education and marketing campaigns that inspire people to take meaningful action. As new supporters are on-boarded, the Organization provides a continual flow of topical content that emphasizes movement victories, tells stories about remarkable volunteers, and prompts users to engage. The Organization’s content shows new supporters that winning is not only possible but happening, and by doing so, empowers social media supporters to take higher-level actions. The Organization’s content advances the national conversation about comprehensive political reform, and changes American political culture by increasing the demand for transformative democratic reform.

During 2023, the Organization published original videos to social platforms, accruing more than 14 million views. The Organization’s social media channels hit 30 million impressions, and mobilized 20,000 people to sign up and support the Organization’s movement. The Organization’s social media communities continue to expand, and their engagement levels are among the highest in the advocacy field.

Represent.Us

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of Operations (continued)

Organizing, Advocacy, and Lobbying

When supporters recruited through the digital program are ready to take action, the Organization brings them into their national digital volunteer network. The network enables activists to communicate with one another and learn about the policies and politics of the reform field. This national community provides online trainings and skills-building workshops, including traditional organizing skills like phone banking, event planning, and writing letters to the editor. The Organization also offers opportunities for activists to learn new media content development, text-banking, online fundraising, and the steps involved in passing a non-binding resolution in their own community. This platform facilitates invaluable connections between activists, organizers, and leaders. It provides opportunities for volunteers to become leaders. More than 12,000 volunteer activists joined the community in 2023.

The Organization works with grassroots and grassroots leaders to lead reform at the state and local level. The Organization provides sophisticated political, legal, research, digital, and communication strategy, tactics, and support to community leaders looking to craft, run, and win campaigns that are politically viable and will positively impact democratic structures. The Organization provides in-kind and direct support to ballot and legislative lobbying campaigns, and abides by all registration, filing, and disclosure requirements per the relevant jurisdiction.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. The Organization reports grants and contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. Grants and contributions receivable are reflected at either net realizable value, or at net present value based on projected cash flows. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. No allowance for uncollectible grants and contributions receivable has been established at both December 31, 2023 and 2022, as all amounts are deemed fully collectible.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over their estimated useful lives. Repairs and maintenance costs are expensed as incurred. The Organization did not have any property and equipment at both December 31, 2023 and 2022.

Grants Payable and Grant Expenses

Grants awarded by the Organization are recognized ratably over the period of performance, as conditions are met, in accordance with the grant agreements. Grant expenses recognized but not paid are recognized as grants payable. Grants paid in advance, if any, are recognized as prepaid expenses. All grants payable are expected to be paid out within one year and are recorded at net realizable value.

Represent.Us

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

The Organization recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Organization's programs or to a future year.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and were \$0 and \$119,582 for the years ended December 31, 2023 and 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 9, 2024, the date the financial statements were available to be issued.

Represent.Us

Notes to Financial Statements
December 31, 2023 and 2022

3. Liquidity and Availability

The Organization strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management periodically reviews the Organization's liquid asset needs and adjusts the cash balance as necessary.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2023	2022
Cash	\$ 1,294,603	\$ 1,017,446
Grants and contributions receivable	-	10,000
Due from affiliate	4,482,468	3,056,147
Total financial assets	5,777,071	4,083,593
Less: net assets with donor restrictions	(350,000)	(10,000)
Total available for general expenditures	\$ 5,427,071	\$ 4,073,593

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash. The Organization maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The uninsured portions of these accounts are backed solely by the asset of the underlying financial institution. Therefore, the failure of an underlying institution could result in financial loss for the Organization. The Organization has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

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Notes to Financial Statements
December 31, 2023 and 2022

4. Concentrations of Risk (continued)

Revenue Risk

For the years ended December 31, 2023 and 2022, a substantial portion of the Organization's revenue was generated from a small number of grantors and donors. \$400,000 was received from one donor for both years ended December 31, 2023 and 2022. This amount approximates 18% and 15% of the Organization's total revenue and support for the years ended December 31, 2023 and 2022, respectively.

Any significant reduction in revenue and support may impact the Organization's financial position and operations.

5. Net Assets

Net assets with donor restrictions consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Purpose restricted:		
Ranked Choice Voting Campaigns	\$ 350,000	\$ -
Time restricted	<u>-</u>	<u>10,000</u>
Total net assets with donor restrictions	<u>\$ 350,000</u>	<u>\$ 10,000</u>

6. Related Party Transactions

Affiliate

The Organization is affiliated with Represent.Us Education Fund ("the Fund"), a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), sharing some common governing body. Consolidated financial statements are not presented as the Fund lacks sufficient controlling financial interest in the Organization as it does not have a majority voting in the Organization's Board.

The Organization maintains a cost-sharing agreement with the Fund, whereby the Fund provides personnel, equipment, and facilities to the Organization. Costs associated with these services and the use of the Fund's facilities are allocated to the Fund under the terms of this cost-sharing agreement. For the years ended December 31, 2023 and 2022, the Organization reimbursed the Fund \$1,215,000 and \$2,289,416, respectively, for these costs.

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Notes to Financial Statements
December 31, 2023 and 2022

6. Related Party Transactions (continued)

Affiliate (continued)

During the years ended December 31, 2023 and 2022, the Organization was awarded unconditional grants from the Fund totaling \$511,110 and \$571,447, respectively, for program services. At December 31, 2023 and 2022, the Organization had a net receivable in the amount of \$4,482,468 and \$3,056,147, respectively, from the Fund.

Contributions from Board of Directors

The Organization receives contributions from members of its Board of Directors, which totaled \$202,450 and \$2,480 for the years ended December 31, 2023 and 2022, respectively. These contributions are recorded in grants and contributions revenue in the accompanying statements of activities for the years then ended.

7. Grant Contingencies

Grants received by the Organization are governed by various guidelines and contractual agreements, and are subject to audit or review by the applicable funding source that could result in requests for reimbursements for expenditures that are not allowed. Therefore, a contingency to refund amounts received in excess of allowable costs exists. Management is of the opinion that no material liability exists.

8. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include expense categories in the accompanying statements of functional expenses, which are allocated on the basis of estimates of time and effort.

9. Income Taxes

The Organization is exempt from the payment of income taxes on its exempt activities under IRC Section 501(c)(4). No provision for income taxes has been made, as there were no unrelated business activities for the years ended December 31, 2023 and 2022. Management has evaluated the Organization's tax positions and concluded that no uncertain tax positions qualify for either recognition or disclosure in the financial statements.